

12-29-1983

Phase Out Of Local Rent Control. Conversion Of Rental Housing To Tenant Ownership

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Phase Out Of Local Rent Control. Conversion Of Rental Housing To Tenant Ownership California Initiative 339 (1983).
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Office of the Secretary of State
March Fong Eu


1230 J Street
Sacramento, California 95814

Elections Division
(916) 445-0820

June 8, 1984

TO: ALL REGISTRARS OF VOTERS/COUNTY CLERKS/PROPONENT(S)

FROM:


DEBORAH SEILER
Assistant to the Secretary of State
Elections and Political Reform

Pursuant to Elections Code 3520(b) you are hereby notified that the total number of signatures to the herein-after named proposed INITIATIVE STATUTE filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient; therefore, the petition has failed.

TITLE: PHASE OUT OF LOCAL RENT CONTROL.
CONVERSION OF RENTAL HOUSING TO
TENANT OWNERSHIP.
INITIATIVE STATUTE

SUMMARY DATE: DECEMBER 29, 1983

PROPONENT: RON CORDOVA

DS/bjl/rb



Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

Elections Division
(916) 445-0820

0339

December 29, 1983

TO ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENT

Pursuant to Section 3513 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

PHASE OUT OF LOCAL RENT CONTROL.
CONVERSION OF RENTAL HOUSING TO TENANT OWNERSHIP.
INITIATIVE STATUTE.

Circulating and Filing Schedule

1. Minimum number of signatures required 393,835
Cal. Const., Art. II, Sec. 8(b).
2. Official Summary Date Thursday, 12/29/83
Elec. C., Sec. 3513.
3. Petition Sections:
 - a. First day Proponent can circulate Sections for signatures . . Thursday, 12/29/83
Elec. C., Sec. 3513.
 - b. Last day Proponent can circulate and file with the county.
All Sections are to be filed at the same time within each
county. Tuesday, 5/29/84*+
Elec. C., Secs. 3513, 3520(a).
 - c. Last day for county to determine total number of signatures
affixed to petition and to transmit total to the Secretary of
State Tuesday, 6/5/84

(If the Proponent files the petition with the county on a date prior to 5/29/84, the county has five working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.) Elec. C., Sec. 3520(b).

* Date adjusted for official deadline which falls on Sunday. Elec. C., Sec. 60.

+ **PLEASE NOTE:** To the Proponent who may wish to qualify for the 1984 General Election. The law allows up to approximately 58 days to county election officials for checking and reporting petition signatures and transmitting results. The law also requires that this process be completed 131 days before the election in which the people will vote on the initiative. It is possible that the county may not need precisely 58 days. But if you want to be sure that this initiative qualifies for the 1984 General Election, you should file this petition with the county before May 1, 1984.

d. Secretary of State determines whether the total number of signatures filed with all county clerks meets the minimum number of required signatures, and notifies the counties. Thursday, 6/7/84**

e. Last day for county to determine total number of qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State Friday, 6/22/84

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 6/5/84, the last day is not later than the fifteenth day after county's receipt of notification.)
Elec. C., Sec. 3520(d), (e).

f. If the signature count is more than 433,218 or less than 354,452, then the Secretary of State certifies the petition has qualified or failed, and notifies the counties. If the signature count is between 354,452 and 433,218 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures Sunday, 6/24/84**

g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State Tuesday, 7/24/84

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 6/22/84, the last day is not later than the thirtieth day after county's receipt of notification.)
Elec. C., Sec. 3521(b), (c).

h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient. Thursday, 7/26/84**

**Date varies based on receipt of county certification.

4. Campaign Statements:

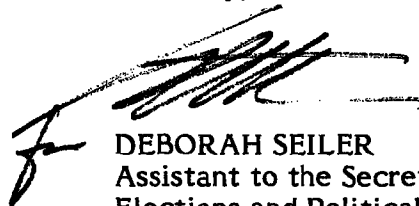
Last day for the Proponent to file a Campaign
Statement of Receipts and Expenditures for period
ending 6/26/84. Tuesday, 7/3/84

(If the Secretary of State finds that the measure has
either qualified or failed to qualify on a date earlier
than 5/29/84, the last date to file is the 35th calendar
day after the deadline for filing petitions or the date of
notification by the Secretary of State that the measure
has either qualified or failed to qualify, whichever is
earlier. The closing date for the campaign statement
is seven days prior to the filing deadline.)
Gov. C., Secs. 84200(d), 84202(j).

5. The Proponent of the above named measure is:

Ron Cordova
c/o Trevor A. Grimm
551 South Oxford Avenue
Los Angeles, CA 90020-4292
(213) 380-0303

Sincerely,



DEBORAH SEILER
Assistant to the Secretary of State
Elections and Political Reform

NOTE TO PROPONENT: Your attention is directed to Elections Code
Sections 41, 44, 3501, 3507, 3508, 3516, 3517, and 3519 for appropriate
format and type considerations in printing, typing, and otherwise preparing
your initiative petition for circulation and signatures. Your attention is
further directed to the campaign disclosure requirements of the Political
Reform Act of 1974, Government Code Section 81000 et seq.

JOHN K. VAN DE KAMP
Attorney General

0339
State of California
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511
SACRAMENTO 95814
(916) 445-9555

December 29, 1983

Honorable March Fong Eu
Secretary of State
1230 J Street
Sacramento, California 95814

FILED
In the office of the Secretary of State
of the State of California

DEC 29 1983

MARCH FONG EU, Secretary of State

By *Barbara Lee*
Deputy

Dear Mrs. Eu:

Re: Initiative Title and Summary.
Our File No. SA83RF0029

Pursuant to the provisions of section 3503 and 3513 of the Elections code, you are hereby notified that on this day we mailed to the proponent(s) of the above identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponent(s), a copy of our title and summary, a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the name(s) and address(es) of the proponent(s) is as stated on the declaration of mailing.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

Robert Burton, ASST A.G.
Robert Burton
Deputy Attorney General

Enclosure

(RF-10, 6/83)

Date: December 29, 1983
File No.: SA83RF0029

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

PHASE OUT OF LOCAL RENT CONTROL. CONVERSION OF RENTAL HOUSING TO TENANT OWNERSHIP. INITIATIVE STATUTE. Provides no local government shall regulate rent for units first occupied or voluntarily vacated after 1984, or in manner denying fair return. Adds new statute providing procedures for conversion of rental housing to tenant ownership upon participation of tenants representing at least 60% of residential units. Requires tenants be given option of purchasing units at prices set in application, selling this right, or continuing to reside in units under terms of existing rental agreement, rent control ordinances, and this statute. Contains additional requirements and restrictions. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Adoption of this initiative probably would not result in a substantial net change in state and local finances.

To the Honorable Secretary of State of California

I, the undersigned, registered, qualified voter of California, resident of Orange County, California, hereby propose an amendment to the Civil Code of California, relating to tenant ownership of, and the production of, rental housing, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election prior to that general election or otherwise provided by law. The proposed statutory amendment reads as follows:

SECTION 1. Chapter 5, commencing with Section 817, is added to Title 2 of Part 2 of Division Second of the California Civil Code to read as follows:

CHAPTER 5

TENANT OWNERSHIP RIGHTS AND

RENTAL HOUSING DEVELOPMENT ACT

§817. Short Title. This chapter shall be known, and may be cited, as the Tenant Ownership Rights and Rental Housing Development Act and is referred to sometimes hereinafter as "Act."

§817.1 Statement of Purpose: The People of the State of California declare that tenant-participating conversions of residential real estate to allow tenants to purchase the units in which they desire to reside, and the gradual phase-out of rent control ordinances on an orderly and reasonable basis, are effective methods of ensuring the production, improvement, preservation and maintenance of rental housing stock, the supply of affordable housing, the stability of neighborhoods and the availability of jobs, while at the same time protecting tenants who do not desire or are unable to purchase their units. In addition, the provisions of this Act will promote the public health, safety and general welfare of all Californians.

For the foregoing reasons, this Act is designed to permit tenants to enjoy the stability, security and financial rewards of home ownership that do not now exist under rent control ordinances, and to ensure that owners of rental property receive a fair return from their property ownership. To this end, this Act seeks to strike a balance between the rights, interests and desires of owners and tenants alike.

This Act provides that if tenants residing

is 60 percent of the residential units in an apartment building and the apartment building's owner agree, the apartment building may be converted to a form of tenant ownership and in that event, all the tenants residing in the building at that time will be given the right, for a period of one year, to purchase their own units at the sale price specified in an application. The tenants may buy their own units themselves, or they may buy or sell such purchase rights from or to other persons. If such purchase rights are not exercised within the one-year period, the unsold units may be sold without price restrictions, subject only to the rights of the tenants. The tenants who do not wish to buy their units or to buy or sell purchase rights to units may remain in their units subject to the terms of their rental agreement. Such units would remain subject to the provisions of any rent control ordinance then applicable to it, and the terms of this Act.

§817.2 Definitions. For purposes of this chapter, the following words and terms have the following meanings:

(a) "Cosigning tenant": Any qualifying tenant signing the application for a tenant-participating conversion.

(b) "Fair return on rental property": An amount of rent per rental unit which, in consideration of the fair market value of the land, buildings and improvements thereon used for residential rental purposes, absent any consideration or effect of rent control, reasonably compensates an owner for, and promotes, the production, improvement, preservation and maintenance of rental housing stock.

(c) "Local government": Any city, county, or city and county, including a chartered city, chartered county, or chartered city and county.

(d) "Owner": Any landlord, lessor, sublessor, or other person entitled to receive rent for the use or occupancy of any rental housing unit, or an agent or successor of any of the foregoing.

(c) "Participating tenant": Any tenant, including both cosigning and noncosigning tenants, residing in the building at the date of approval of the tentative or parcel map for a tenant-participating conversion.

(f) "Qualifying building:" Any building used for residential rental purposes on the date of application concerning it for tenant-participating conversion.

(g) "Qualifying tenant": Any tenant who has personally occupied a rental unit in the building continuously for six months immediately preceding the date of the application for a tenant-participating conversion.

(h) "Rent": Any consideration demanded or received in connection with the use or occupancy of any rental housing unit or transfer of a lease, including but not limited to amounts demanded or paid for parking, pets, furniture, services, subleasing, or deposits in connection with the use or occupancy of any rental housing unit.

(i) "Rent control" or "regulation of rents":

Any action of a local government which reduces, restricts, limits, or otherwise controls the amount of rent permitted to be demanded or received for the use or occupancy of any rental housing unit.

(j) "Rental housing unit": Any property,

building, structure or part thereof, not including a lot or space rented in a mobilehome park, which is rented or offered for rent for residential occupancy in the State of California, together with all services connected with the use or occupancy thereof.

(k) "Tenant": A tenant, subtenant, lessee,

sublessee, or any other person entitled to the use or occupancy of any rental housing unit.

(l) "Tenant ownership": Ownership in the

form of either condominiums, apartments, stock cooperatives, limited equity stock cooperatives or any other means authorized under state law.

(m) "Tenant-participating conversion": Any

conversion to tenant ownership implemented pursuant to this Act.

(n) "Tenant's sale price": The price for each unit as set forth in the application for a tenant-participating conversion.

(o) "Voluntarily vacated": A vacancy not the result of an eviction of a tenant except for non-payment of legally authorized rent or violation of any lawful covenant of the tenancy or of law. A rental unit which is subleased or in which substitution of a tenant occurs other than in accordance with the terms of an existing rental agreement, is a voluntarily vacated unit.

§817.3 Parcel Map Conditions. Within 120 days of receipt of a completed application for a tenant-participating conversion signed by the owner of a building used for residential rental purposes and by qualifying tenants representing not less than 60 percent of all the residential rental units in the building, the local governing body or agency acting on its behalf, upon determining the validity of the representations set forth in the application, shall approve a tentative or parcel map for the conversion of the building to the form of tenant ownership requested in the application. The tentative or parcel map shall contain the following, and only the following, conditions:

(a) The owner shall execute an agreement, binding on any successor in interest, to offer and continue to offer each rental unit in the building for sale to the participating tenant thereof at the tenant's sale price, without change, for a period of not less than one year from the date of final approval by the California Department of Real Estate or the date the first unit in the building is offered for sale, if no approval by the California Department of Real Estate is required.

(b) After such tenant-participating

conversion, each unpurchased rental unit shall remain subject to the terms and conditions of any rent control ordinance then applicable to it and the terms of this Act.

(c) The building may be required to comply only with the applicable laws, including the building, safety, and zoning codes which were in effect as of the date of the application. No new, additional requirements including, but not limited to, parking, room size, or interior or exterior improvements of any kind, may be imposed as a condition, either directly or indirectly, of the tenant-participating conversion.

(d) Prior to approval of the final map for a tenant-participating conversion, each participating tenant shall be informed of his or her right either: (1) to purchase the rental unit occupied by such tenant at the tenant's sale price at any time during the period set forth herein, or to sell or assign such purchase right; or (2) at the tenant's option, to continue to reside in the rental unit subject to any rental agreement and the terms and conditions of any existing rent control ordinance and the terms of this Act.

§817.4 Conversion Application. An application for a tenant-participating conversion shall be complete if it complies with the requirements of the laws of the State of California and it it:

(a) Identifies the building which is the subject of the application and contains a declaration that such building is a qualifying building.

(b) Sets forth, for each unit, the tenant's sales price for such unit.

(c) Contains a declaration that the cosigning tenants and the owner have agreed upon a plan for the assignment and use of all parking spaces, common area facilities, occupancy and management policies and allocation of costs and expenses for the building.

(d) Contains a declaration that there has been a building inspection report concerning the roof, walls, floors, heating, air conditioning, plumbing, electrical systems or components of a similar or comparable nature, and recreational facilities of the building prepared by a licensed contractor within the preceding three months, that copies of the building inspection report have been made available to the

tenants, and that, for each unit, a written statement setting forth any substantial defects or malfunctions identified in the building inspection report regarding the unit and the common areas has been delivered to the unit or a tenant occupying the unit.

(e) Sets forth the form of tenant ownership for which the application is submitted.

(f) Is signed by qualifying tenants occupying not less than 60 percent of all the residential rental units in the building.

(g) Identifies the cosigning tenants and the units occupied by such tenants.

(h) Contains a declaration that the cosigning tenants are qualifying tenants.

(i) Contains a declaration that the signature of each cosigning tenant was obtained only after the delivery to such tenant of a list of all the rental units setting forth, for each rental unit, the tenant's sale price for such unit and after the delivery to such tenant of the information required in subsection (d) of this section.

§817.5 Tenant's Sales Price. Except for the restrictions set forth in this Act on the tenant's sales price, there shall be no restrictions on the price, terms, or conditions at which the units may be sold or resold.

§817.6 Processing, Map Fees. No requirements other than those expressly set forth in this Act or by state law may be imposed, either directly or indirectly, on a tenant-participating conversion except the imposition of reasonable processing or map fees not to exceed an aggregate of \$500.00 per application and other reasonable fees not to exceed an aggregate of \$500.00 per unit.

§817.7 Parcel Map Approval. If no action is taken on a completed application for a tenant-participating conversion within 120 days of the filing thereof, the tentative or parcel map shall be deemed granted with the conditions as set forth herein.


§817.8 Rent Regulation. No local government shall regulate the rent which may be charged for the occupancy of a rental housing unit which has been either first occupied or voluntarily vacated on or after January 1, 1985, or in a manner which denies an owner a fair return on rental property.

§817.9 Financial Subsidies. Notwithstanding the provisions of Section 817.8, a local government may provide for regulation of the rent of a rental housing unit which has been newly constructed or rehabilitated with the benefit of direct financial subsidies provided by the local government, and which is not otherwise regulated as to rent by state or federal law.

§817.10 Severability. If any provision of this Act or application thereof to any person or circumstances is held invalid, the invalidity shall not affect the validity of other provisions or applications of this Act which can be effective without the invalid provision or application, and to this end the provisions of this Act are declared to be severable. This chapter shall be liberally construed to achieve the purposes of this Act and to preserve its validity. The terms of this Act shall take precedence over any inconsistent or contrary state government statutory law or local government ordinance, law or regulation.

DATED: November 3, 1983.

Submitted By:


Ron Cordova, Proponent
369 San Miguel Drive
Newport Beach, CA 92660

LAW OFFICES
KAPLANIS AND GRIMM
551 SOUTH OXFORD AVENUE
LOS ANGELES, CALIFORNIA 90020-1292
TELEPHONE (213) 380-0303

TREVOR A. GRIMM
PETER J. KAPLANIS
E. HOUSTON TOUCEDA III

November 3, 1983

Mr. Robert Burton
Assistant Attorney General
1515 K Street
Sacramento, California 95814

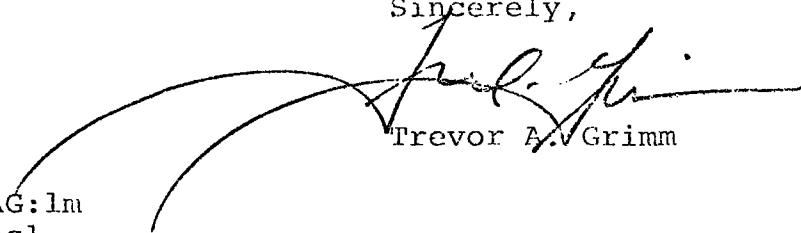
Re: Proposed Statutory Initiative
Measure to Amend the
California Civil Code

Dear Mr. Burton:

Enclosed is an original and three copies of a draft initiative petition along with our firm's check in the sum of \$200. Please prepare a summary of the chief purposes and points of the proposed measure and advise us accordingly.

Thank you for your help.

Sincerely,


Trevor A. Grimm

TAG:lm
encl

*Proposed in To Be:
Ron Cordova*

DECLARATION OF MAILING

The undersigned Declarant, states as follows:

I am over the age of 18 years and not a proponent of the within matter; my place of employment and business address is 1515 K Street, Suite 511, Sacramento, California 95814.

On the date shown below, I mailed a copy or copies of the attached letter to the proponents, by placing a true copy thereof in an envelope addressed to the proponents named below at the addresses indicated, and by sealing and depositing said envelope or envelopes in the United States mail at Sacramento, California, with postage prepaid. There is delivery service by United States mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed.

Date of Mailing: December 29, 1983

Subject: Phase Out of Local Rent Control. Conversion of Rental Housing to Tenant Ownership.

Our File No.: SA83RF0029

Name of Proponent(s) and Address(es):

RON CORDOVA
c/o TREVOR A. GRIMM
551 South Oxford Avenue
Los Angeles, California 90020-4292

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California on December 29, 1983.


MARSHA L. BIERER
Declarant

JOHN K. VAN DE KAMP
Attorney General

State of California
DEPARTMENT OF JUSTICE



1515 K STREET, SUITE 511
SACRAMENTO 95814
(916) 445-9555

December 29, 1983

Ron Cordova
c/o Trevor A. Grimm
551 South Oxford Avenue
Los Angeles, California 90020-4292

Re: Initiative Title and Summary.
Subject: Phase Out of Local Rent Control. Conversion of
Our File No. SA83RF0029 Rental Housing to Tenant Ownership.

Pursuant to your request, we have prepared the attached title and summary of the chief purposes and points of the above identified proposed initiative. A copy of our letter to the Secretary of State, as required by Elections Code sections 3503 and 3513, our declaration of mailing, and the text of your proposal that was considered is attached.

The Secretary of State will be sending you shortly a copy of the circulating and filing schedule for your proposal that will be issued by that office.

Please send us a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file in this matter.

Very truly yours,

JOHN K. VAN DE KAMP
Attorney General

Robert Burton
Deputy Attorney General

Attachment

(RF-9, 6/83)